



American Overseas Group Limited Announces Approval of Commutation of \$4.4 Billion Par FGIC Portfolio

HAMILTON, Bermuda, October 22, 2012 (BUSINESS WIRE) -- American Overseas Group Limited (BSX:AORE.BH) (Pink Sheets: AORE) ("AOG" or the "Company") today announced the completion of the previously announced commutation entered into by its operating subsidiary, American Overseas Reinsurance Company Limited ("AORE") and Financial Guaranty Insurance Company ("FGIC"). Pursuant to the commutation, AORE made a commutation payment to FGIC in the amount of \$64.8 million in return for a full commutation and release of all of AORE's obligations to FGIC. The FGIC commutation would have resulted in a GAAP loss of approximately \$13.0 million if it had been completed at June 30, 2012, the most recent date as of which AOG has published financial results.

Forward-Looking Statements

This release contains statements that may be considered "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations and the current views of the economic and operating environment and are not guarantees of future performance. A number of risks and uncertainties, including economic competitive conditions, could cause actual results to differ materially from those projected in forward-looking statements. The Company's actual results could differ materially from those expressed or implied in the forward-looking statements. Among the factors that could cause actual results to differ materially are: (i) the Company's ability to execute its business strategy, including with respect to any new reinsurance businesses; (ii) changes in general economic conditions, including inflation, foreign currency exchange rates, interest rates and other factors; (iii) the loss of significant customers with which AORE has a concentration of its reinsurance in force; (iv) legislative and regulatory developments; (v) changes in regulations or tax laws applicable to the Company or its customers; (vi) more severe or more frequent losses associated with AORE's insured portfolio; (vii) losses on credit derivatives; (viii) changes in the Company's accounting policies and procedures that impact the Company's reported financial results; (ix) the effects of ongoing and future litigation and (x) other risks and uncertainties that have not been identified at this time. The Company undertakes no obligation to revise or update any forward-looking statement to reflect changes in conditions, events, or expectations, except as required by law.

Information About the Company

American Overseas Group Limited is a Bermuda-based holding company. Its operating subsidiary, American Overseas Reinsurance Company Ltd., has historically provided financial guaranty reinsurance for U.S. and international public finance and structured finance transactions. More information can be found at www.aoreltd.com.

SOURCE: American Overseas Group Limited

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